

eWIC Vendor Team Meeting
February 26 at 1:30 pm
Call-in Number: 1-877-336-1831 *Access Code: 8951404*

Minutes

ATTENDEES: Mike Scott (Total Retail Solutions); Jason Cooper, Curtis Wiggins, Michelle Clark (Brookshire's); Carol Mounts (Kroger); Perry Young (Young's Thriftway); Emily Gomez (Supervalu & Save-A-Lot); Cindy Strait, Karen Walker (Little Rock Air Force Base Commissary); Jon King (Hay's Store Inc.); Paul Rowton (GES Inc.); Stan Wibbenmeyer, Wanda Jordan (Associated Wholesale Grocers); Gene Wallace (Walmart); Spencer Overby (Cranford's); Chris DeSalvo (City Market); Devon Beck (Save-A-Lot/Glaze Enterprises); Debbie and Josh (Harp's); David Hill (Cash Saver); Wendy Gudz (Sunflower Grocery, LLC)

WIC PROGRAM STAFF: Alison Whitten (MIS Section Manager); Pamela Woodard George (Food Delivery Section Manager); Leslie Foreman (MIS Project Coordinator); Teresa Guerrero (MIS Section Specialist); Brian Musick, (MIS Coordinator); Kim Newsome (Data and Information Specialist); Selina Felton, Christine Watts, Brenda Davis, Karen Lee (Food Delivery Liaisons)

1. Introductions & Roll Call

- a. Made it through the holiday season & now weather
- b. Leslie and I met many of you at the January AWG Food Show
 - i. Thanks to Stan Wibbenmeyer, Retail System Coordinator for AWG (Associated Wholesale Grocers), who has been very generous in allowing us to attend and reach out to our Arkansas grocers.
 - ii. One thing that Leslie and I noticed at the Food Show is how often we use WIC terminology – you know WIC is its own language – that may not be as common to some as others. So, on this call, if you seasoned veterans will bear with me, I'll try to explain terms as we run across them. And, please jump in, those of you who have been through eWIC in other states especially.

2. Staffing Update

- a. Last meeting announced Leslie's promotion to eWIC Project Coordinator
- b. Welcome Brian Musick as MIS Coordinator (former Food Delivery Liaison for the Central Region)

3. RFP (Request for Proposals) Update

- a. At our last meeting we introduced our Project Implementation Contractor, Etegrity, Penny Tisdale & Cindy Fuller – we are in great hands!
- b. Finalizing Claims Processor; piggy backing off WY contract with Solutran (currently has our paper processing contract); contract sent to FNS (Food and Nutrition Service [USDA]) who replied with feedback; we are currently in process of responding to FNS's feedback

4. Timeline

- a. As you know, our last RFP has been tied up in procurement for a long time. It was finally published 1/12/15. A major piece of the puzzle we'd been waiting for.

We plan to award the contract for our Offline Module Developer by 5/4/15. This contractor will design the software interface between the clinic system and WIC EBT – change how the clinics issue benefits. Depending of course on development time and User Acceptance Testing (UAT), we estimate pilot to begin 5/2/16 for three months. Afterwards, FNS may take up to 60 days to approve rollout. If the two full months are required that would put rollout on 10/3/16. These dates may get tweaked some as October is a busy time in our clinics (mass flu clinics/skeleton staff) and the holiday time is bad for our retailers. But, hopefully that gives you an idea of where we are at.

- b. I know that this has been a long process. We've experienced some hurdles but we've really picked up momentum and are closer with the publication of this last RFP. Just a side note – all eyes at FNS has been on Arkansas. My understanding is that most states that have implemented have done so on an average of \$6-\$7 million, whereas we've done a lot of work in-house with minimal contracting assistance. If we come within budget, we'll have done it within \$1.2 million.
- c. Funding is difficult, but our Federal EBT Coordinator for our WIC Regional Office in Dallas has really gone to bat with FNS HQ for us.
- d. All states are federally mandated to be eWIC by Oct. 1, 2020. This was due to the Healthy, Hunger-Free Kids Act of 2010 signed into law by President Obama. (5 years into it) There are still a lot of states to go. States that have already implemented smart card technology -- which you all know is what Arkansas is going with – card with microchip that stores monthly benefits for an entire family rather than online which uses the magnetic strip and 3rd party processor like credit/debit cards. The smartcard is inserted into the payment terminal unlike traditional swipe debit, SNAP EBT and credit cards. Smart card/Offline interchangeable – does not require third party processing.
- e. Smart Card States: WY, TX, NM/Isleta, Cherokee Nation (Indian Tribal Organization in Oklahoma), OH
 - i. Going Smart Card: LA, MO, PA, UT
 - ii. Online States: KY, Michigan, NV, FL, OR, Washington State, Chickasaw Nation (OK)
- f. Gives you an idea of how many states have implemented and how more are still to go, therefore the explanation of funding.

5. Vendor Reimbursement

- a. We've received a lot of inquiries regarding how much the State can assist and when. Your dealers and Penny Martin with the Arkansas Grocers and Retail Merchants Association have been great champions advocating for you.
- b. We are currently drafting the policy, but I can tell you what federal guidance to this point has been.
- c. For integrated systems:
 - i. In a fully integrated online environment, an eWIC transaction provides a streamlined experience for the retailer and the shopper. The cashier will not be required to separate WIC items, verify expiration dates, require a signature and WIC eligible foods will be approved or denied

electronically. Order of precedence: WIC, SNAP, other tender. Also, you'll no longer use the WIC Vendor Stamp as claims are submitted and paid electronically.

1. Federal guidance is \$50 toward payment terminal replacement if not smart card capable per lane plus one for the service desk.

d. For non-intergrated systems:

- i. The alternative to an integrated POS is a stand-beside POS WIC device. This device is capable of supporting a WIC transaction – it will validate the items against the benefit balance and the State's Approved Products List (APL), accept an eWIC card as payment, and submit WIC transactions for settlement. However, a stand-beside device is maintained separately from your overall store management system, therefore to determine total inventory, payment, and settlement for all transactions, you will need to reconcile the WIC stand-beside with your store management system.

1. The State will provide this device at no charge with 3 year maintenance and warranty.

e. Integration is the preferred solution but we understand that this is a business decision.

- i. Better in-lane flow – WIC shoppers check out like any other shopper (minimizes stigma some shoppers may feel)
- ii. Do not have to separate WIC items
- iii. Faster and simpler transaction for cashiers

f. Timeframe: Federal guidance is 9 months out/ lead time before roll out.

g. EMV topic: My understanding is that the EMV (Euro/Mastercard/Visa) October 2015 mandate is coming from the PCI (Payment Card Industry) requiring compliance to securely encode the PIN on the microchip embedded in the card. Retailers who do not meet the mandate will assume the risk if they accept a fraudulent card with an embedded microchip. I've seen these start to turn up.

- i. It's unfortunate that our timelines are not in accord. A clarification was requested by FNS and it was determined that the order does not apply to WIC EBT cards.

6. eWIC Vendor Equipment Survey

- a. During fall 2013, we requested information regarding your point-of-sale system (POS) and your payment terminals so that we could better understand your needs as the Arkansas WIC Program transitions from paper checks to eWIC. As we move closer to this goal, we need more detailed and updated information.
- b. Not everyone has received the survey yet. I've been sending them out phase by phase, county by county to the independent grocers and the smaller chains. I've not yet contacted Walmart, Kroger, Harp's and Brookshire's. As I've been sending them out, I've been letting you know which phase you fall into. (I've got phases 13, 14 and 15 to go). Please keep in mind that these roll out phases may get tweaked a bit.

7. Production Keys

- a. We have our production keys which secures and protects the validity of cards issued by the clinics. We are in the process of providing these keys to the terminal developers. Your dealers will inject these keys into your payment terminals.
- b. We are also working on a project along with TX and Etegrity (our PIC) to ensure that all three terminal manufacturers (Verifone, Ingenico, Equinox [Hypercom]) are able to accept eWIC cards from a minimum of six states per Federal guidelines. This is especially important for retailers located on state borders. Texarkana (pilot area) & Siloam Springs/Cherokee Nation

8. POS Systems Developers

- a. We are working with two developers that currently do not have offline/smart card eWIC functionality: Logivision and UpFront. We've supplied them with the technical specifications and information and offered our help. I can't guarantee that they will be eWIC functional by time of roll out. Check with your dealer on their progress.
- b. Other systems being utilized in AR that have been certified by other states: IBM (SA, ACE, Toshiba based ACE), LOC-SMS, Retail Professional, Catapult, RORC, top two – NCR ACS-IR and ISS45.
- c. Consideration – check with your dealer if you are a cost plus retailer if POS system capable of adding the surcharge to eWIC. The ones that I know of are IBM ACE, LOC, ISS45 and Torex (TX).

9. Certifications

- a. We are fortunate that we can accept the certification by other smart card states possibly with a few Arkansas specific scripts. In certification, we follow a standard set of scripts mimicking real-life scenarios with test cards that are ran through the POS system.
- b. There are three levels of certification:
 - i. Level 1 – Commercial Certification which refers to a system that is available “off the shelf” to grocers. Level 1 is a certification of the base software at the software developer level (i.e. IBM, NCR)
 - ii. Level 2 -- Retailer specific which refers to a retail certification of a system that is proprietary to the retailer. It may be a modification of a commercial system or developed entirely in-house.
 - iii. Level 3 – This is a certification of the ECR/POS system as deployed in the store. Before accepting eWIC, each store must pass a level 3 certification.
 - 1. When we begin rolling out eWIC statewide phase by phase, each phase will last approx. 3 weeks before moving to the next phase.
 - 2. A couple of weeks before going live in your store, we'll do the level 3 testing and also train your associates. In the training, you'll want someone to attend that will continue to train new cashiers. We'll provide you with training cards and materials.
- c. Arkansas has not yet completed its own level 1 or 2 certification testing. We've attended certifications and have assisted other states. We have our test cards but will not be able to do Arkansas testing until we have an Approved Product

List (APL) and Hot Card List (HCL) at a minimum and optimally also a test FTP (File Transfer Protocol) site (must first have our claims processor contract in place).

10. Approved Product List (APL)

- a. An Approved Product List (APL) is a list of Arkansas WIC authorized products. It identifies UPC codes scanned as whether they are WIC eligible foods. It provides electronic approval of WIC foods. This file will be downloaded whenever you connect to the secure FTP site to upload your claim files.
- b. At the same time that the APL is downloaded, the Hot Card List (HCL) will also be downloaded to protect you from accepting a card that has been reported lost or stolen.
- c. Thank you for allowing us in your stores with our scanners to collect UPC codes in building the APL.

11. Store eWIC Promotion

- a. The last topic that I have on today's agenda is something that we wanted to throw out and brainstorm a bit. Now that our timeline is firming up, we want to begin getting the word out that a change is coming in the way that WIC will work. Our goal is to educate WIC participants (your shoppers) and our grocers and your associates. We don't want to take anyone by surprise. In our clinics, we'll have banners and signs preparing the participants. However, many participants are on a three-month issuance and at times may send a proxy in their place. But, they are in your stores on a regular basis.
- b. With your permission, we'd like to design an eWIC promotion letting WIC shoppers know that eWIC is coming. Down the road, but sooner for our pilot area.
- c. We were thinking about something at each lane near the PIN pad/payment terminal or maybe a sign. What are your thoughts? And those of you who have already implemented in other states, what worked best for you?
- d. We'll carry this item to the next agenda. In the meantime, please think about it.

12. Open Discussion

- a. We ran out of time at the end of the meeting. However, several questions were asked during the call.
- b. Currently, the WIC participant may have up to two proxies listed on their yellow folder who may make purchases. How will the cashier know who is authorized to use the participant's eWIC card?
 - i. Anyone with the participant's PIN will be able to access benefits. Participants will be educated at the clinic to be careful with whom they share their PIN. Also, if the participant reports their PIN lost or stolen, that card will be added to the Hot Card List (HCL) and your payment terminal will automatically reject the card. It protects you from accepting a lost or stolen card.
- c. How are the phases going to be implemented?

- i. We will post the roll out phases on the WIC EBT website. Please keep in mind that these phases are tentative at this point and may still be tweaked a bit.
 - ii. Each phase will last approximately three weeks.
 - iii. Before going live in your phase area, WIC staff will be in your store doing level 3 certifications to ensure that your system will be capable of completing an eWIC transaction. WIC staff will also train your store associates.
- d. Will the participants have training?
 - i. Absolutely. Participants will be trained at the clinic on how to use their new eWIC card. They will also still receive the Arkansas Food List brochure containing WIC eligible food items. When participants receive their card, they will also receive a print out (called a “shopping list”) of all the benefits contained on their card.
 - ii. Jason Copper added that participants frequently ask for a beginning balance from the store. The store may easily do this in a few seconds at any register or at the service desk by performing a balance inquiry which prints the benefits on the card to a receipt.
- e. How does it work to keep participants from buying more items such as milk than is available on the card?
 - i. At the beginning of the transaction, the customer will receive a beginning balance. When they see that there are no longer any milk benefits remaining on their card, they have the option of putting the milk back on the shelf or paying for it with a different tender.
 - ii. Once the items have been rung up, the participants will be shown which items are eligible to be paid for with the eWIC card. The participant then approves yes or no on the pin pad that they approve of these items being decremented from their card.
 - iii. At the end of the transaction, the receipt will print an ending balance.

13. Next Meeting – Thursday, May 28 at 1:30-2:30

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